



# MEMORANDUM

To: Members of the Senate Committee on Finance



From: Michigan Association of School Boards  
AFT Michigan  
Middle Cities Education Association  
Michigan Association of School Administrators  
Michigan Association of Intermediate School Administrators  
Michigan Education Association  
Michigan Elementary and Middle School Principals Association  
Michigan Association of Secondary School Principals



RE: Opposition to Senate Bills 364-365

Date: June 30, 2015



We write today in opposition to Senate Bills 364-365 which would exempt firearm safety devices from sales and use taxes.

Our concerns lie in the bigger picture. While these particular bills may seem to be only a small decrease to the SAF, when added to the many other policies passed in recent years, revenue streams to the School Aid Fund continue to be eroded.



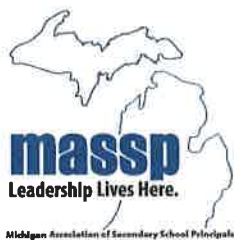
Last session seven new laws were signed that totaled over \$160 million in cuts to SAF revenue. There were 13 other laws signed that each had an indeterminate negative affect on local property tax and School Aid Fund revenue. This session Senate Committees have reported legislation totally over \$82 million in reductions in property tax and School Aid Fund revenue.



We urge you to look very closely at this bill and similar ones and the collateral damage they have over time. Our schools will continue to see cuts if the School Aid Fund does not receive the revenue necessary to support our students and communities.



We urge you to oppose these bills. If you have any questions, please feel free to contact any of us in the education community listed.



Legislation passed by the **Senate Committees** since January 2015 that affect the School Aid Fund or local property tax revenue (does not include bills that had hearings but no votes, or bills passed by the House). All figures are based on a Senate or House Fiscal Agency analysis.

**Finance:**

SB6 – expand property tax exemption for disabled veterans to joint tenancy

**Amount of loss unknown**

SB10-11 – accelerate the elimination of the sales and use taxes on the difference between the value of a trade-in and a new vehicle.

**\$16.2 Million loss to SAF in first year**

SB24 – exempt inherited property from school operating mills for up to two years

**Amount of loss unknown**

SB81 - eliminate the requirement to pay school operating mills on foreclosed properties

**\$15-25 Million loss to SAF**

SB82-83 – eliminate sales and use taxes on prewritten software

**\$51 Million loss to SAF**

SB171 – modify effective date of property tax exemption filings for elderly/disabled

**Amount of loss unknown**

HB4173 – modify exemptions to the real estate transfer tax

**Amount of loss unknown**

**Natural Resources:**

SB217 – modify definition of qualified forest to exempt from property tax

**Amount of loss unknown**

**These few bills total a minimum loss to the SAF of \$82.2 million annually.**

5 bills have an unknown negative fiscal impact.